

FISCAL NOTE

HB 480 - SB 951

February 27, 2007

SUMMARY OF BILL: Redefines “lobby” to mean communications by employees of school boards, municipal utilities, utility districts, and any department, agency, or entity of state, county, and municipal government for the purpose of influencing any legislative or administrative action.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$23,000

Increase State Revenues – Exceeds \$800,000

Increase Local Govt. Expenditures* – Exceeds \$800,000

Assumptions:

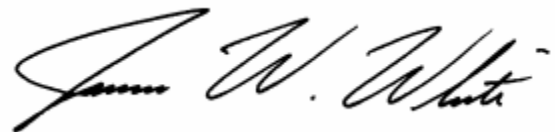
- These persons are currently exempt under the definition of “lobbyist” in T.C.A. 3-6-301.
- A state, county, or municipal employee meeting the requirements of the bill would be required to register with the Ethics Commission as a lobbyist and pay a \$150 registration fee.
- Local government employees registering as lobbyists would also be subject to a \$400 annual professional tax.
- The governmental entity would be required to register as an employer of a lobbyist, pay a \$150 registration fee, and be subject to disclosure requirements and gift prohibitions.
- The number of state employees registering as lobbyists is estimated to be 50 with the number of state entities registering as employers of lobbyists estimated to be 50. ($100 \times \$150 = \$15,000$)
- The number of local government entities registering as employers of lobbyists is estimated to be 675 with the number of local government employees registering as lobbyists estimated to be 1,000. ($1,675 \times \$150 = \$251,250$) + ($1,000 \times \$400 = \$400,000$) = $\$651,250$)
- In addition, each registered lobbyist is required to take an ethics course and pay a fee of \$150 to the Ethics Commission. ($50 \text{ state employees} \times \$150 = \$7,500$) + ($1,000 \text{ local employees} \times \$150 = \$150,000$) = $\$157,500$)

- This estimate assumes that the appropriate state and local government entities would bear the cost of all registration fees, course fees, and professional taxes for their employees.
- An increase in state expenditures of \$500 per year is based on postage for one letter to each entity from the Ethics Commission to give notice of the lobbyist registration requirements.
- The increase in staff time to process registration statements and fees, send out warning and enforcement letters, and render legal advice is estimated to be not significant and can be handled within the existing budget.
- State costs assume \$15,000 for registration fees for 50 lobbyists and 50 employers of lobbyists; \$7,500 in course fees for 50 employees; \$500 for postage.
- Local costs assume \$251,250 for registration fees for 675 local entities and 1,000 local employees; \$400,000 in professional taxes for 1,000 local employees; \$150,000 in course fees for 1,000 local employees.
- Teachers employed by local boards of education are not included under the requirements of the bill.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director